my reputation. The chief of a very important war agency ordered my memorandum to be filed with his notation on the cover: "The piece is so absurd that it is not worth reading." A liberal magazine in New York, which expected postwar unemployment of many millions, reproached the callous government statisticians who predicted less unemployment and remarked scornfully: "There is even a man in Washington who believes that there will be no mass unemployment after the war." I was that bad man. My friends in the Social Security Board told me that some very influential government economists thought that my forecast stemmed largely from my nonco-operative and opinionated disposition, which I have never denied having and do not deny now.

Despite this unenviable reputation, I was invited to defend my views before staff conferences in various agencies. This was an exciting campaign. I was defending not only my economic analysis but also my faith in the United States, in the strength of its economic system.

The developments after the war vindicated my forecasts. The transition from war to the peacetime economy was effected even more smoothly than I had anticipated. My reputation as an economist was more or less restored. As time went on, I even discovered that I was credited with having correctly predicted the postwar economic outlook for the United States when it seemed to be unpredictable. In retrospect, I cannot accept this credit. The situation was so obvious that one did not need much skill in economic analysis or great perspicacity to foresee the general trend in our postwar economy. The mysterious aspect of the episode is that many competent economists had failed to foresee it and guessed so badly. Indeed, I know of no other case in the history of economic thought when so many scholars piled up so many false arguments to prove the unavoidability of events that, by the very nature of things, could not happen.

I believe that the explanation of this mystery lies in certain characteristics of public opinion in this country. From time to time, definite ideas become a fashion and people accept a notion as if it were firmly established, although it has never been proved and may turn out on closer examination to be absurd. In the early 1940's, a batch of false notions, such as the maturity of the United States economic system and its propensity to oversaving and deflation, blurred the sight of the economists. In addition, the theoretical question—what was likely to happen to our economy after the war—was mixed up with the political question as to what the government and Congress must do to avoid suffering among the masses of the people. Prediction of a depression became an argument for measures designed to prevent hardships it would bring to the people. Well-intentioned people tried to spur Con-